



MILPITAS CITY COUNCIL MEETING AGENDA

TUESDAY, MAY 3, 2016

455 EAST CALAVERAS BOULEVARD, MILPITAS, CA
6:00 P.M. CLOSED SESSION • 7:00 P.M. PUBLIC BUSINESS

SUMMARY OF CONTENTS

- I. **CALL TO ORDER/ROLL CALL** by the Mayor (6:00 p.m.)
- II. **ADJOURN TO CLOSED SESSION**
 - (a) **CONFERENCE WITH LABOR NEGOTIATORS - COLLECTIVE BARGAINING**
Pursuant to California Government Code Section 54957.6
City Negotiators: Tom Williams, Tina Murphy
Employee Groups: Mid-management and Confidential Unit (Mid-Con), and Professional and Technical Group (ProTech)
Under Negotiation: Wages, Hours, Benefits, and Working Conditions
 - (b) **CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION**
Pursuant to California Government Code section 54956.9(d)(1)
American Arbitration Association Case No. 01-16-0000-4753
 - (c) **CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION**
Pursuant to California Government Code section 54956.9(d)(4) - City as Plaintiff
- III. **CLOSED SESSION ANNOUNCEMENT:** Report on action taken in Closed Session, if required pursuant to Government Code Section 54957.1, including the vote or abstention of each member present
- IV. **PLEDGE OF ALLEGIANCE** (7:00 p.m.)
- V. **INVOCATION** (Mayor Esteves)
- VI. **APPROVAL OF COUNCIL MEETING MINUTES** – April 16, 2016
- VII. **SCHEDULE OF MEETINGS – COUNCIL CALENDAR** May 2016
- VIII. **PRESENTATIONS**
 - Proclaim May as *Mental Health Month*
 - Proclaim May as *Older Americans Month*
 - Proclaim May as *Building & Safety Month*
 - Proclaim *Public Service Recognition Week* May 1-7, 2016
- IX. **PUBLIC FORUM**

Members of the audience are invited to address the Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit their remarks to three minutes. As an item not listed on the agenda, no response is required from City staff or the Council and no action can be taken. However, the Council may instruct the City Manager to place the item on a future meeting agenda.

X. ANNOUNCEMENTS

XI. ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

XII. APPROVAL OF AGENDA

XIII. CONSENT CALENDAR (Items with asterisks*)

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a member of the City Council, member of the audience, or staff requests the Council to remove an item from or be added to the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

XIV. PUBLIC HEARINGS

- 1. Conduct a Public Hearing and Adopt a Resolution Approving Site Development and Use Permits, a Vesting Tentative Map and an Exception to the City's Supplemental Water Use Restrictions for SummerHill Mixed Use Development at 1500-1646 Centre Pointe Drive (Staff Contact: Bill Ekern, 408-586-3273)**
- 2. Conduct a Public Hearing and Adopt a Resolution Approving Site Development and Use Permits, Vesting Tentative Map and an Exception to the City's Supplemental Water Use Restrictions for the Montague Mixed Use Development at 720 Montague Expressway (Staff Contact: Bill Ekern, 408-586-3273)**

XV. UNFINISHED BUSINESS

- * 3. Receive the Update of the Odor Control Report (Staff Contact: Steven Machida, 408-586-3355)**
- 4. Receive a Report from Milpitas Unified School District on Enrollment Projections (Staff Contact: Tom Williams, 408-586-3050)**
- 5. Receive Update on the Preferred Concept Plan on the McCandless Park Design (Staff Contact: Tom Williams, 408-586-3050)**
- 6. Receive Newest Recommendations from the Campaign Finance Reform Committee (Staff Contacts: Chris Diaz, 408-586-3040 and Mary Lavelle, 408-586-3001)**
- 7. Receive Report and Update on the Santa Clara Countywide Study on Minimum Wage Increase (Staff Contacts: Tom Williams, 408-586-3050 and Edesa Bitbadal, 408-586-3052)**

XVI. REPORTS OF OFFICERS AND COMMISSION

- * 8. Consider Mayor's Recommendations for Appointments to City of Milpitas Commissions (Contact: Mayor Esteves, 408-586-3029)**
- 9. Hear Report from Councilmember Giordano Regarding Letter of Request from Arts Commission on Need for a Performing Arts Center in Milpitas (Contact: Councilmember Indihar Giordano, 408-586-3032)**
- *10. Approve a Recommendation from the Senior Advisory Commission to Pursue Designation of the City of Milpitas as an "Age Friendly City" (Staff Contact: Jaime Chew, 408-586-3226)**

XVII. NEW BUSINESS

- *11. Receive City of Milpitas Investment Portfolio Status Report for the Quarter Ended March 31, 2016 (Staff Contact: Russell Morreale, 408-586-3111)**
- * 12. Accept a NFL Play 60 After-School Kickoff Grant from the National Football League in the Amount of \$7,500 (Staff Contact: Renee Lorentzen, 408-586-3409)**
- *13. Consider a Request from the Milpitas Kiwanis Club to Waive City Rental Fee at Community Center for “Building Peaceful Families” Event on June 5, 2016 (Staff Contact: Mary Lavelle, 408-586-3001)**

XVIII. RESOLUTIONS

- *14. Adopt a Resolution Directing Preparation of the Annual Engineer’s Report for Landscaping and Lighting Maintenance Assessment District No. 95-1, McCarthy Ranch (Staff Contact: Nina Hawk, 408-586-2603)**
- *15. Adopt a Resolution Directing Preparation of the Annual Engineer’s Report for Landscaping and Lighting Maintenance Assessment District No. 98-1 (Sinclair Horizon) (Staff Contact: Nina Hawk, 408-586-2603)**
- *16. Adopt a Resolution Requesting the Allocation of Transportation Development Act, Article 3 Funds for the American with Disabilities Act Curb Ramp Transition Program 2016 (Staff Contact: Steve Chan, 408-586-3324)**

XIX. AGREEMENTS

- *17. Authorize the City Manager to Execute Amendment No. 1 to the Agreement for the Countywide Household Hazardous Waste Collection Program with an Additional \$5,000 Budget for Milpitas Residents (Staff Contact: Steven Machida, 408-586-3355)**
- *18. Authorize the City Manager to Approve Amendment No. 2 Extending the Agreement with Alpine Awards, Inc. by One Year for Clothing Requirements for the Recreation Services Department and Increase the Total Not to Exceed \$49,280 (Staff Contact: Chris Schroeder, 408-586-3161)**
- *19. Authorize the City Manager to Approve Amendment No. 1 to the Agreement with Invoice Cloud Inc. for Electronic Bill Presentment and Utility Bill Payment Services Increasing it by \$51,260 for a Total Not to Exceed \$147,260 Over Six Years (Staff Contact: Chris Schroeder, 408- 586-3161)**
- *20. Approve Equipment Installation License Agreement for Silicon Valley Regional Interoperability Authority to Install and Maintain Telecommunications Equipment on City Property and Authorize City Manager to Execute the License (Staff Contact: Christopher Diaz, 408-586-3040)**
- *21. Approve Amendment No. 1 to the Agreement with CSG Consultants, Inc. for Staff Augmentation Services for the Capital Improvement Program for the Annual Amount Not-To-Exceed \$160,000 (Staff Contact: Steven Machida, 408-586-3355)**

XX. DEMAND

- *22. Receive a Report on Emergency Repair of Natural Gas Supply Line for Public Works Warehouse Building and Authorize Payment of \$9,189.19 to Preston Pipelines (Staff Contact: Nina Hawk, 408-586-2603)**

XXI. ADJOURNMENT

NEXT REGULARLY SCHEDULED COUNCIL MEETING TUESDAY, MAY 17, 2016

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review. For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on the City website. Phone 408-586-3040

All City Council agendas and related materials can be viewed online here:
www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Current Vacancies on:
Parks, Recreation and Cultural Resources Commission
Telecommunications Commission

Commission application forms are available online at www.ci.milpitas.ca.gov or at Milpitas City Hall. Contact the City Clerk's office at 408-586-3003 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, call the City Clerk at 408-586-3001 or send an e-mail to mlavelle@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the City Council Chambers for all meetings in that facility.

AGENDA REPORTS

XIV. PUBLIC HEARINGS

- 1. Conduct a Public Hearing and Adopt a Resolution Approving Site Development and Use Permits, a Vesting Tentative Map and an Exception to the City's Supplemental Water Use Restrictions for SummerHill Mixed Use Development at 1500-1646 Centre Pointe Drive (Staff Contact: Bill Ekern, 408-586-3273)**

Background: On April 13, 2016, the Planning Commission held a Public Hearing on the proposed development of a 9.84 acre project in the Transit Area Specific Plan (TASP). The project area is located along the Great Mall Parkway and bounded by Montague Expressway and Centre Pointe Drive. The project proposes to construct 694 dwelling units with 27,000 square feet of retail and 9,500 square feet of restaurant space. Parking is provided on-site and also 21 new street parking spaces in compliance with section MMC XI-10-53.13(A)(1)(b). The new street parking on Centre Pointe Drive would be subject to two hour time limit.

The project includes a Conditional Use Permit request for density increase, to allow tandem parking, to allow shared parking and to permit development on lots greater than four acres in area. The applicant also requests an exception to the "Supplemental Water Use Restriction" contained in the Milpitas Municipal Code VIII-6.5.00, including Section 5.03, to allow swimming pools/spas.

The Planning Commission voted unanimously to recommend to City Council approval of the Vesting Tentative Map, Conditional Use Permit, and Site Development Permit for the requested development.

California Environmental Quality Act: This project is included within the area evaluated as part of the Transit Area Specific Plan Environmental Impact Report ("EIR"), SCH#2006032091, which was certified by the City Council on June 3, 2008. An initial environmental assessment was completed to evaluate the proposed project and the density increase. The proposed project was determined to be consistent with the TASP EIR and the proposed density of the project is consistent with the anticipated development density evaluated in the TASP EIR. The project is covered under the scope of activities approved within that EIR pursuant to CEQA Guideline 15168(c)(2) and all policies and/or mitigation measures required in the EIR to lessen any impacts will be imposed on the project through the conditions of approval.

Fiscal Impact: The project will pay all TASP fees and other assorted development fees both to the City and to School District.

Attachments:

- a) Draft City Council Resolution
- b) Planning Commission Meeting Minutes of April 13, 2016
- c) Planning Commission Staff Report of April 13, 2016
- d) Planning Commission adopted Resolution No. 16-015
- e) Project Plans (separate bound attachment)
- f) CEQA Exemption memo

Recommendations:

1. Open the public hearing for comments, and move to close the hearing.
2. Adopt a Resolution approving Site Development Permit, Conditional Use Permit, Vesting Tentative Map and approving exceptions to Milpitas Municipal Code Section VII-6-5.00 regarding Supplemental Water Use Restrictions for the project located at 1500-1646 Centre Pointe Drive in Milpitas, per CEQA Guideline.

2. **Conduct a Public Hearing and Adopt a Resolution Approving Site Development and Use Permits, Vesting Tentative Map and an Exception to the City's Supplemental Water Use Restrictions for the Montague Mixed Use Development at 720 Montague Expressway (Staff Contact: Bill Ekern, 408-586-3273)**

Background: On April 13, 2016, the Planning Commission held a public hearing on the proposed development of a 2.35 acre project in the Transit Area Specific Plan (TASP). The project area is located along Montague Expressway, South Milpitas Boulevard and Gladding Court. The project proposes to construct 216 dwelling units with 10,555 square feet of ground floor retail and amenity space in a 248,183 square foot mixed-use building. Conditional Use Permit requested for density increase, tandem and compact parking spaces and minor deviations from the TASP to allow reduced size balconies.

The applicant also requests an exception to the "Supplemental Water Use Restriction" contained in the Milpitas Municipal Code VIII-6-5.00, including Section 5.03, to allow the construction of swimming pools/spas. The development includes 216 dwelling units and proposes to provide pool and spas as an attractive amenity to proposed residents

The Planning Commission voted unanimously to recommend to City Council approval of the Vesting Tentative Map, Conditional Use Permit, and Site Development Permit for the requested development.

California Environmental Quality Act: This Project is included within the area evaluated as part of the Transit Area Specific Plan Environmental Impact Report ("EIR"), SCH#2006032091, which was certified by the City Council on June 3, 2008. An initial environmental assessment was completed to evaluate the proposed project and the density increase. The proposed project was determined to be consistent with the TASP EIR and the proposed density of the project is consistent with the anticipated development density evaluated in the TASP EIR. The Project is covered under the scope of activities approved within that EIR pursuant to CEQA Guideline 15168(c)(2) and all policies and/or mitigation required in the EIR will be imposed on the Project through the conditions of approval.

Fiscal Impact: The project will pay all TASP fees and other assorted development fees both to the City and to School District.

Attachments:

- a) Draft City Council Resolution
- b) Planning Commission Meeting Minutes of April 13, 2016
- c) Planning Commission Staff Report of April 13, 2016
- d) Planning Commission adopted Resolution No. 16-016
- e) Project Plans (separate bound attachment)
- f) CEQA Exemption memo

Recommendations:

1. Open the public hearing for comments, and move to close the hearing.
2. Adopt a Resolution approving the Vesting Tentative Map, Site Development Permit, Use Permit and an exception to City's Milpitas Municipal Code on Supplemental Water Use Restrictions for the development project at 720 Montague Expressway, per CEQA Guideline 15168(c)2.

XV. UNFINISHED BUSINESS

- * 3. **Receive the Update of the Odor Control Report (Staff Contact: Steven Machida, 408-586-3355)**

Background: From March 9 through April 5, 2016, the Bay Area Air Quality Management District (BAAQMD) forwarded 296 complaints originating in Milpitas. 118 complaints identified a garbage odor, six complaints identified a sewage odor and 172 complaints did not identify an odor source. As of the last Council update, the City's odor reporting website had received 66 reported complaints.

Recommendation: Receive the monthly update of the Odor Control Report.

4. Receive a Report from Milpitas Unified School District on Enrollment Projections (Staff Contact: Tom Williams, 408-586-3050)

Background: At the City Council meeting of April 5, 2016, Councilmember Indihar Giordano requested a report on the latest enrollment projections analyzed by the Milpitas Unified School District. City staff contacted the District regarding this request. Superintendent Matsuoka agreed and will be present at the City Council meeting to share and discuss the District's most recent enrollment projections.

Recommendation: Receive a report from Milpitas Unified School District Superintendent.

5. Receive Update on the Preferred Concept Plan on the McCandless Park Design (Staff Contact: Tom Williams, 408-586-3050)

Background: The Transit Area Specific Plan (TASP) has designated a large parcel located on the east side of McCandless near Montague Expressway as school and public park area. The City has engaged Environmental Foresight Inc. (consultant) for public outreach and design services for the McCandless Park. In the last few months, consultant and staff have completed the following planning steps: met with the School Design team to coordinate the design concept for the school site and the park site including the joint use area, conducted an online survey to solicit public opinion, met with PRCRC to receive members' input, conducted a community workshop to allow the residents to create their version of the park layout, designed two concept plans based on community input and presented the two concept plans to the PRCRC and the community group, and received comments and recommendation from the PRCRC and the community for the preferred concept plan.

Staff planned to present the Preferred Concept Plan to the City Council and receive feedback.

Fiscal Impact: None.

Recommendations: Receive an update on the preferred concept plan on the McCandless Park design.

6. Receive Newest Recommendations from the Campaign Finance Reform Committee (Staff Contacts: Chris Diaz, 408-586-3040 and Mary Lavelle, 408-586-3001)

Background: On November 17, 2015, the Chair of the Campaign Finance Reform Committee provided a report to the City Council, and listed the recommendations from the Committee after it had met throughout 2015. The final recommendations at that time were discussed, and the City Council gave direction to have the Committee go back and meet again. The Mayor and Council asked the committee to review some topics, discuss new ones, and return with updated final recommendations.

Fiscal Impact: None upon receiving this report. There may be cost implications for some of the recommendations, if an ordinance is later adopted by the City Council.

Recommendation: Receive updated recommendations from the Campaign Finance Reform Committee. Provide feedback and provide possible direction to City Attorney regarding any ordinance.

7. Receive Report and Update on the Santa Clara Countywide Study on Minimum Wage Increase (Staff Contacts: Tom Williams, 408-586-3050 and Edesa Bitbadal, 408-586-3052)

Background: The City of San Jose is leading the effort to analyze and study a Countywide minimum wage. Several cities in Santa Clara County, including City of Milpitas, agreed to assist and participate in the study effort. The report was released on Friday, April 15, 2016. Upon receipt of the report, staff sent it to the Mayor and City Council for review and discussion.

On January 1, 2016, state law required the minimum wage to increase to \$10.00 per hour. All City positions and contracted agencies and organizations are compliant with this minimum wage increase.

On April 4, 2016, Governor Brown signed into law Senate Bill (SB) 3. SB 3 (Leno) requires a new statewide minimum wage schedule with annual increases commencing January 1, 2017 through January 1, 2023. SB 3 requires the minimum wage for any employer who employs 26 or more employees to adhere to the following minimum wage schedule:

- (1) For any employer who employs 26 or more employees, the minimum wage shall be as follows:
 - (A) From January 1, 2017, to December 31, 2017, inclusive,—ten dollars and fifty cents (\$10.50) per hour.
 - (B) From January 1, 2018, to December 31, 2018, inclusive,—eleven dollars (\$11) per hour.
 - (C) From January 1, 2019, to December 31, 2019, inclusive,—twelve dollars (\$12) per hour.
 - (D) From January 1, 2020, to December 31, 2020, inclusive,—thirteen dollars (\$13) per hour.
 - (E) From January 1, 2021, to December 31, 2021, inclusive,—fourteen dollars (\$14) per hour.
 - (F) From January 1, 2022, and until adjusted by subdivision (c)—fifteen dollars (\$15) per hour.

SB 3 also requires the minimum wage for any employer who employs 25 or fewer employees to adhere to the following minimum wage schedule:

- (2) For any employer who employs 25 or fewer employees, the minimum wage shall be as follows:
 - (A) From January 1, 2018, to December 31, 2018, inclusive,—ten dollars and fifty cents (\$10.50) per hour.
 - (B) From January 1, 2019, to December 31, 2019, inclusive,—eleven dollars (\$11) per hour.
 - (C) From January 1, 2020, to December 31, 2020, inclusive,—twelve dollars (\$12) per hour.
 - (D) From January 1, 2021, to December 31, 2021, inclusive,—thirteen dollars (\$13) per hour.
 - (E) From January 1, 2022, to December 31, 2022, inclusive,—fourteen dollars (\$14) per hour.
 - (F) From January 1, 2023, and until adjusted by subdivision (c)—fifteen dollars (\$15) per hour.

The City Council has also considered raising the current contract janitorial minimum wage to \$13.00 per hour but had deferred any action until the Countywide minimum wage study was completed. The table (included in the agenda packet) reflects the current contract provisions and the escalation of wages for the city's contract janitorial services. Escalation per terms of the agreement provides for an increase to \$10.75 effective January 1, 2017 (.25/hour more than required by SB 3) and an increase to \$13.69 effective January 1, 2018 (\$2.69/hour more than required by SB 3).

The City Council held a budget study session April 25, 2016. Key decision points were reviewed, including internal budget requests from all departments and escalation of the private janitorial wages ahead of the contractual wage increase (reflected in the table included in the agenda packet). To comply with public contracting provisions, any wage increase would require

invoking the 30-day cancellation clause with the City's current janitorial contract vendor and re-issuance of a new Request for Proposal (RFP) with the wage terms as directed by City Council.

Fiscal Impact: None.

Attachments:

- a) City of San Jose Memorandum
- b) City of San Jose Staff Summary Report on Minimum Wage Research Findings
- c) Presentation – Summary of Key Findings on the Effects of \$15 Minimum Wage in San Jose and Santa Clara County
- d) Report– Santa Clara County Minimum Wage Employer Survey
- e) Presentation Slides – Santa Clara County Minimum Wage Employer Survey
- f) City of San Jose Memorandum from Mayor Sam Liccardo
- g) Senate Bill No. 3 and Data re: Wages Paid to Varsity (City of Milpitas Vendor for Janitorial Services)

Recommendation: to receive and discuss the minimum wage study.

XVI. REPORTS OF OFFICERS AND COMMISSION

- * 8. Consider Mayor's Recommendations for Appointments to City of Milpitas Commissions (Contact: Mayor Esteves, 408-586-3029)**

Background: Mayor Esteves recommends the following:

Economic Development Commission: re-appoint Robert Nuñez as the representative of the Milpitas Unified School Board to a term that expires in April of 2019.

Veterans Commission: newly appoint John Schmidt as Alternate No. 2 to a term that will expire in February of 2019.

Recommendation: Receive Mayor's recommendations and approve one appointment and one re-appointment to City of Milpitas Commissions.

- 9. Hear Report from Councilmember Giordano Regarding Letter of Request from Arts Commission on Need for a Performing Arts Center in Milpitas (Contact: Councilmember Indihar Giordano, 408-586-3032)**

Recommendation: Hear report of Councilmember Giordano regarding the letter that the City Council received in April from the Milpitas Arts Commission identifying a need for a Performing Arts Center in Milpitas.

- *10. Approve a Recommendation from the Senior Advisory Commission to Pursue Designation of the City of Milpitas as an "Age Friendly City" (Staff Contact: Jaime Chew, 408-586-3226)**

Background: The County of Santa Clara County requested the City of Milpitas to join its effort toward the Age Friendly Initiative. That initiative is an international effort to help cities prepare for two global demographic trends: the rapid aging of populations and increasing urbanization. The World Health Organization (WHO) created this program to target environmental, social and economic factors that influence the health and well-being of older adults. An "Age Friendly City" is an inclusive and accessible urban environment that promotes active aging.

At the April 26, 2016 Senior Advisory Commission meeting, the Commissioners received a presentation from Diana Miller, Santa Clara County Aging and Adult Services Project Manager, on what it means to be an Age Friendly City and the process, which includes an application to

complete and the formation of a task force. Commissioners recommended that City Council approve pursuit of designation as an “Age Friendly City” and direct staff to work with the County of Santa Clara to form an Age Friendly Task Force. The County would like to begin working with City staff to establish the City of Milpitas as an Age Friendly City.

Information provided by County staff to Commissioners on April 25 is included in the agenda packet for the City Council.

Fiscal Impact: None.

Recommendations: Approve the recommendation of the Senior Advisory Commission to work with County of Santa Clara to pursue required efforts for the City of Milpitas to become an “Age Friendly City.” Direct staff to form an Age Friendly Task Force toward that goal.

XVII. NEW BUSINESS

***11. Receive City of Milpitas Investment Portfolio Status Report for the Quarter Ended March 31, 2016 (Staff Contact: Russell Morreale, 408-586-3111)**

Background: In compliance with the State of California Government Code and the City’s Investment policy, the City of Milpitas Investment Report for the quarter ended March 31, 2016 is submitted for the Council’s review and acceptance.

The Portfolio Summary Report included in the Council’s packet provides a summary of the City’s investments by type. It lists the par value, market value, book value, percentage of portfolio, term, days to maturity and the equivalent yields for each type of investment. The Portfolio Details Report provides the same information for each individual investment in the City’s portfolio as of March 31, 2016.

As of March 31, 2016, the principal cost and market value of the City’s investment portfolio was \$190,220,570 and \$190,745,192 respectively. When market interest rates increase after an investment is purchased, the market value of that investment decreases. Conversely, when market interest rates decline after an investment is purchased, the market value of that investment increases. If the investments are not sold prior to the maturity date, there is no market risk. Therefore, in accordance with the City’s investment policy, all investments are held until maturity to ensure the return of all invested principal.

The City’s effective rate of return for the period ended March 31, 2016 was 0.75%. The comparative benchmarks for the same period were 0.51% for LAIF (Local Agency Investment Fund) and 0.77% for the 12-month average yield of the 2-year Treasury Note. The weighted average maturity of the portfolio was 400 days.

The investment portfolio is in compliance with the City’s investment policy. A combination of securities maturing, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flow requirements are continually monitored and are considered paramount in the selection of maturity dates of securities.

The market values of the securities were provided by BNY Mellon, the safekeeping bank of the City’s securities. All the securities owned by the City are held in the trust department of BNY Mellon under the terms of a custody agreement.

Three charts are included with the agenda packet that show investment by maturity levels, comparison of the City’s portfolio yields to other benchmark yields as well as a trend of the type of securities in the City’s portfolio, weighted average maturity and average yield.

Fiscal Impact: None

Recommendation: Receive the investment report for the quarter ended March 31, 2016.

- * 12. **Accept a NFL Play 60 After-School Kickoff Grant from the National Football League in the Amount of \$7,500 (Staff Contact: Renee Lorentzen, 408-586-3409)**

Background: The City of Milpitas applied for and was awarded an NFL Play 60 After-School Kickoff Grant in the amount of \$7,500 from the National Football League (NFL). In addition to the \$7,500 cash award, the grant includes an event hosted by the San Francisco 49ers for youth enrolled in the After the Bell program. 49ers players (date/time to be announced soon by the NFL) will attend and speak about the NFL “Play 60” campaign, which encourages kids to be active for 60 minutes a day in order to help reverse the trend of childhood obesity.

The 49ers will also lead a “mini-camp” style activity with the youth where they will get to participate in various non-contact, football agility drills. All participating students will receive a NFL Play 60 shirt at the end of the event. All NFL equipment used in the mini-camp will also be donated to the City of Milpitas Recreation Services Department after the event.

Funds from the grant will be used for Youth Special Events such as After the Bell Olympics and new equipment for youth programs.

Fiscal Impact: There is no net impact to the General Fund. Expenditures will be offset by increase in grant revenue. A Budget Change Form is included in the agenda packet.

Recommendation: Accept the NFL Play 60 After-School Kickoff Grant from the National Football League in the amount of \$7,500 and approve a budget appropriation for Recreation Services.

- *13. **Consider a Request from the Milpitas Kiwanis Club to Waive City Rental Fee at Community Center for “Building Peaceful Families” Event on June 5, 2016 (Staff Contact: Mary Lavelle, 408-586-3001)**

Background: The City Clerk received a “Donation or Fee Waiver/Reduction Request Application Form” from the Milpitas Kiwanis Club on April 21, 2016. The Club plans to co-host with other organizations a special event on Sunday, June 5, 2016 at the Community Center auditorium entitled “Building Peaceful Families.” It is planned to honor and recognize fathers in the community. All families, and especially fathers, in Milpitas will benefit from the event. The group requests a waiver of the cost to rent the auditorium.

The group submitted its application, a flyer for the event, and the IRS letter of determination that the group is a 501c(3) non-profit organization in Milpitas.

Fiscal Impact: \$20,000 was approved and included in the FY 2015-16 City budget for City Council’s Unallocated Community Promotions. If the current fee waiver of \$1500 granted, then \$15,095 would be the remaining balance for the fiscal year.

Recommendation: Consider the request from Kiwanis Club and move to approve a fee waiver of \$1500 for the cost of the Community Center rental for the Building Peaceful Families event on June 5, 2016.

XVIII. RESOLUTIONS

- *14. **Adopt a Resolution Directing Preparation of the Annual Engineer’s Report for Landscaping and Lighting Maintenance Assessment District No. 95-1, McCarthy Ranch (Staff Contact: Nina Hawk, 408-586-2603)**

Background: Landscaping and Lighting Maintenance Assessment District (LLMD) No. 95-1 provides for the improvement and maintenance of public landscaping, irrigation, and pedestrian lighting along portions of North McCarthy Boulevard and the Ranch Drive gateway between State Route 237 and Dixon Landing Road. In addition, the draft 2014-2019 Capital Improvement Program includes a project for the renovation and upgrade of portions of the LLMD District landscaping and irrigation systems.

The Landscaping and Lighting Act of 1972 requires adoption of a resolution directing preparation of the annual engineer's report evaluating LLMD District maintenance and improvement costs. At subsequent meetings, the City Council will be asked to approve the completed Engineer's Report and to schedule a public hearing for the proposed assessment on June 7, 2016. Upon Council's approval, the assessment for the maintenance and improvement work will be added to the 2016-17 property tax bills of the property owners within the boundaries of the District.

Fiscal Impact: None.

Recommendation: Adopt a resolution directing the preparation of the Annual Engineer's Report for LLMD No. 95-1 at McCarthy Ranch.

***15. Adopt a Resolution Directing Preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon (Staff Contact: Nina Hawk, 408-586-2603)**

Background: Landscaping and Lighting Maintenance Assessment District (LLMD) No. 98-1 provides for improvement and maintenance of public landscaping, irrigation, and improvements along Sinclair Frontage Road, Los Coches Creek and Berryessa Creek abutting the Sinclair Horizon residential subdivision.

The Landscaping and Lighting Act of 1972 requires adoption of a resolution directing preparation of the annual engineer's report evaluating LLMD District maintenance and improvement costs. At subsequent meetings, the City Council will be asked to approve the completed Engineer's Report and to schedule a public hearing for the proposed assessment on June 7, 2016. Upon Council's approval, the assessment for the maintenance and improvement work will be added to the 2016-17 property tax bills of the property owners within the boundaries of the District.

Fiscal Impact: None.

Recommendation: Adopt a Resolution directing the preparation of the Annual Engineer's Report for LLMD No. 98-1 at Sinclair Horizon.

***16. Adopt a Resolution Requesting the Allocation of Transportation Development Act Article 3 Funds for the American with Disabilities Act Curb Ramp Transition Program 2016 (Staff Contact: Steve Chan, 408-586-3324)**

Background: The City of Milpitas receives guaranteed funding from the Transportation Development Act (TDA) Article 3 fund each year for pedestrian and bicycle improvement projects. The guaranteed funding is based on population and the 2016-17 funding for Milpitas is \$108,083.

The City of Milpitas will submit a grant proposal to the Santa Clara Valley Transportation Authority for release of this funding for the ADA Curb Ramp Transition Program 2016. The project will include the installation of Americans with Disability Act-compliant pedestrian ramps. Locations for these improvements will be determined later, during the design phase. Construction is scheduled for the summer/fall of 2016.

California Environmental Quality Act: The project is categorically exempt under CEQA Guideline 15301 for maintenance of existing public streets.

Alternative: Denial of the request would forfeit receipt of TDA Article 3 funds for ADA Curb Ramp Transition Program 2016.

Fiscal Impact: The City will receive guaranteed funding of \$108,083 to use towards the ADA Curb Ramp Transition Program 2016.

Recommendation: Adopt a resolution requesting allocation of Transportation Development Act, Article 3 Funds for the Americans with Disabilities Act Curb Ramp Transition Program 2016.

XIX. AGREEMENTS

- *17. Authorize the City Manager to Execute Amendment No. 1 to the Agreement for the Countywide Household Hazardous Waste Collection Program with an Additional \$5,000 Budget For Milpitas Residents (Staff Contact: Steven Machida, 408-586-3355)**

Background: The Santa Clara County Department of Environmental Health has administered a Countywide Household Hazardous Waste Collection (HHW) Program for residents since October 1991. Residents must make an appointment to drop off materials such as batteries, paint, pesticides, and other items not allowed in landfills. The County-wide goal is a participation level of 4% of the total households. Santa Clara County sets and collects a fee of \$2.60 fee per ton of disposed waste on behalf of each jurisdiction to fund the program. Cities with commercial and industrial businesses, such as Milpitas, generate sufficient tonnage and therefore fees in excess of the 4% target. Cities with little or no commercial/industrial base must augment the fees with additional funds.

Historically, Milpitas participation has fluctuated, sometimes above and sometimes below the 4% target, which is currently set at 842 cars. If the number of Milpitas-allowed appointments is filled before June 30, then the residents are told to wait until July 1. Proper disposal of these materials is important to the environment and staff recommends providing additional funding to insure that no Milpitas resident will be turned away.

Based upon past experience, staff anticipates that the County will collect approximately \$175,000 on behalf of Milpitas for this program in FY 17 with a cost of approximately \$115,000 for the 4% target. The County remits any funds in excess of those needed for the annual household hazardous waste program to the cities of waste origin the following year. This funding will be programmed into the City's FY 2017-18 solid waste operating budget and can be used for activities supporting the City's compliance with State solid waste program requirements such as recycling and waste diversion.

A June 9, 2015 agreement between the County and each participating jurisdiction allows the program to continue for a 3-year period. The proposed amendment for fiscal year 2017 includes the FY 2016-17 Operating Schedule and the ability for each jurisdiction to augment the budget for services in excess of the 4% target or collected fees, whichever is smaller. Staff recommends approval of the amendment with an additional budget of \$5,000, which provides for an additional 37 appointments.

California Environmental Quality Act: The amendment is exempt from CEQA as there will be no physical change to the environment.

Alternative: If denied, the County's HHW program would be unable to provide services to Milpitas residents beyond the 4% participation goal.

Fiscal Impact: None. If needed, the County will deduct the \$5,000 from the remittance in the subsequent year.

Recommendation: Authorize the City Manager to execute Amendment No. 1 to the Agreement with Santa Clara County for the Countywide Household Hazardous Waste Collection Program with an additional \$5,000 budget for Milpitas residents.

- *18. Authorize the City Manager to Approve Amendment No. 2 Extending the Agreement with Alpine Awards, Inc. by One Year for Clothing Requirements for the Recreation Services Department and Increase the Total Not to Exceed to \$49,280 (Staff Contact: Chris Schroeder, 408-586-3161)**

Background: On June 20, 2012 the City of Milpitas competitively awarded an agreement for “Annual Clothing Requirements for the Recreation Services Department” to Alpine Awards, Inc., who was the lowest, most responsive, responsible bidder. This contract was awarded at \$8,800 per year for a total four year agreement amount not-to-exceed \$35,200.

On June 26, 2014, Amendment No. 1 was completed to allow an increase the quantities of various items as the recreation service programs have grown. This also increased the dollar value of the contract by \$1,760 to \$10,560 for the last two years of the agreement for a total four-year agreement amount not-to-exceed \$38,720.

The City’s Recreation Services Department has a need to extend the annual clothing requirements contract for one more year keeping the current contract uniform designs. Alpine Awards has agreed to hold costs the same as Year Four (\$10,560). With this extension, the total five year agreement not-to-exceed amount would be \$49,280. This one-year extension from June 20, 2016 through June 19, 2017 will also give the Recreation Services Department additional time to define future contract specifications.

Fiscal Impact: None. This is a programmed expense in the FY 2015-16 and FY 2016-17 operating budget for the Recreation Services Department.

Recommendation: Approve Amendment No. 2 to the Agreement with Alpine Awards extending it by one year for clothing requirements for the Recreation Services Department and increase the agreement amount by \$10,560 for a total five years not-to-exceed \$49,280.

- *19. Authorize the City Manager to Approve Amendment No. 1 to the Agreement with Invoice Cloud Inc. for Electronic Bill Presentment and Utility Bill Payment Services Increasing it by \$51,260 for a Total Not to Exceed \$147,260 Over Six Years (Staff Contact: Chris Schroeder, 408-586-3161)**

Background: On July 1, 2014 the City of Milpitas competitively awarded an agreement for electronic bill presentment and payment of utility bill services to Invoice Cloud, Inc., who was the company which offered the most advantageous proposal after consideration of all evaluation criteria. This agreement was awarded at \$16,000 annually with a three year initial period and up to three one-year options for a total six year agreement not-to-exceed \$96,000.

The City is in a state of growth and the use by customers of utilizing electronic bill payment has increased significantly since award of this agreement in 2014. Therefore, the Finance Department desires to increase the agreement by \$5,500 in this year 2 to account for all current customers. Furthermore the additional years are proposed to have a 10% annual increase for future anticipated growth of the customer base. This increases the total six-year agreement to an amount not-to-exceed \$147,260.

Fiscal Impact: None: This is a programmed expense in the Water and Sewer budget.

Recommendation: Approve Amendment No. 1 to the Agreement with Invoice Cloud, Inc. for Electronic Bill Presentment and Utility Bill Payment Services increasing it by \$51,260 for a total 6-year amount not-to-exceed \$147,260.

- *20. Approve Equipment Installation License Agreement for Silicon Valley Regional Interoperability Authority to Install and Maintain Telecommunications Equipment on City Property and Authorize City Manager to Execute the License (Staff Contact: Christopher Diaz, 408-586-3040)**

Background: The Silicon Valley Regional Interoperability Authority (SVRIA) builds and operates a variety of communications systems to serve the communications needs of its members' public safety agencies in the Santa Clara Operational Area. The City and SVRIA have an existing License Agreement for the SVRIA's EComm system. EComm is a digital microwave system which links city and county 9-1-1 centers and provides connectivity to most remote public safety radio sites. Under the EComm License Agreement, SVRIA has installed and maintains EComm equipment at the Milpitas Police Department.

The SVRIA is replacing existing public safety radio system(s) currently in use in Santa Clara County with a new digital P25 compliant system using 700 Mhz spectrum (Silicon Valley Regional Communications System or SVRCS). The SVRCS will utilize existing repeater sites and some new sites developed to insure coverage in the more remote areas of the County. All the repeater sites and dispatch centers will be connected through the EComm. The SVRIA has requested that the City enter into a new License Agreement authorizing the SVRIA to deploy SVRCS equipment at the Milpitas Police Department. The proposed License was reviewed by the City Attorney and the Police Department. The SVRIA has agreed to changes which satisfy security and operational concerns raised during the City's review.

Fiscal Impact: Negligible since the City receives no revenue and provides utilities needed for SVRIA's use of site.

Recommendation: Approve Silicon Valley Regional Communications System (SVRCS) License Agreement and authorize City Manager to execute SVRCS License.

- *21. Approve Amendment No. 1 to the Agreement with CSG Consultants, Inc. for Staff Augmentation Services for the Capital Improvement Program for the Annual Amount Not-To-Exceed \$160,000 (Staff Contact: Steven Machida, 408-586-3355)**

Background: Each year, the City's Engineering staff creates a comprehensive five-year plan of Capital Improvement Program (CIP) projects for the City of Milpitas. Those projects include construction of capital assets including streets, park development or upgrades, the acquisition of land, construction, repair, and rehabilitation of City infrastructure and facilities. The CIP reflects the City Council's priorities and policies to ensure that the needs of the city are met. For Fiscal Year 2015-16, the value of the CIP is approximately \$22 million, and for FY 2016-17, the value of the proposed CIP is estimated at \$43 million. Several high profile projects are included with tight completion deadlines, and additional staffing is required to complete this work.

A majority of CIP projects are completed by the City's Design and Construction (D&C) Engineering staff. D&C staff manages all projects from inception, through design, and finally through the warranty process upon completion of construction. Due to the volume of work in the CIP and the tight completion schedules for several of the projects, on September 15, 2015, the City entered into agreement with CSG Consulting Inc. to provide the necessary staff augmentation services. The services included providing one consulting staff engineer four days per week located at City Hall for the completion of several projects identified in the CIP. The agreement with CSG Consultants Inc. was for a not to exceed fee of \$150,000.

Staff recommends amending the contract with CSG Consultants Inc. to continue the current level of staff augmentation services until December 30, 2016. The continuation of these services will allow for the completion of the following projects: Higuera Adobe Park Renovation, Project No. 5097; City Bridge Repairs, Project No. 4271; and Great Mall Median Landscaping, Project No. 2001. The projects will fund the CSG project engineer, and work tasks will include project management, administration, review of engineering plans and specifications, hiring design consultants, advertisement and project public bidding, review of construction bids, submittals, change orders, and resolution of field problems as required for completion of projects. Staff negotiated a fee with CSG not to exceed \$160,000 to provide one engineering project engineer for on-call services to continue from May 3, 2016 and through December 30, 2016. Approval of this amendment brings the total agreement amount to \$310,000.

California Environmental Quality Act: This action is exempt from CEQA as there will be no physical change to the environment.

Alternative: Denial of this request could result in not completing the projects mentioned above that are included in the City's 5-year Capital Improvement Program.

Fiscal Impact: None. There are sufficient funds in the CIP budgets.

Recommendation: Approve Amendment No. 1 to the Agreement with CSG Consultants, Inc. for staff augmentation services for the Capital Improvement Program for an annual amount not-to-exceed \$160,000.

XX. DEMAND

- *22. Receive a Report on Emergency Repair of Natural Gas Supply Line for Public Works Warehouse Building and Authorize Payment of \$9,189.19 to Preston Pipelines (Staff Contact: Nina Hawk, 408-586-2603)**

Background: Pursuant to state public contracting law and Council Resolution No. 7779, the Director of Public Works must report all emergency work to the City Council. On February 4, 2016 a natural gas leak was reported at the City of Milpitas Corporation Yard. PG&E was notified, the location of the leak was identified and the gas supply was shut off. The location of the leak was determined to be at the riser for the gas supply line to the warehouse building containing locker rooms, showers and lavatories.

The Corporation Yard warehouse is in close proximity to generators, sources of ignition such as parked fleet vehicles and gas pumps, creating the high risk of explosion and/or fire. In addition Public Works employees are regularly exposed to contaminants and the warehouse is the only location providing locker rooms, lavatories, showers and tepid water eye irrigation stations provided for their health and safety. Preston Pipelines was contacted and instructed to repair the gas supply line and restore service to the warehouse building for Life Safety reasons.

Fiscal Impact: None.

Recommendation: Authorize payment of an invoice in the amount of \$9,189.19 to Preston Pipelines from the Facility Maintenance Repair and Maintenance operating budget for emergency repair in February 2016 of the natural gas supply line for the Public Works warehouse building.

XXI. ADJOURNMENT

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, MAY 17, 2016**